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the individual is not subjected purely and simply to the action of the environment, yet he does not seem to leave sufficient place in social life for the influence of creative imagination and constructive reasoning, since he claims that the "real" inventions of the economic life are the cause of the "imaginary" inventions of the religious life. Can he even refuse to admit as active in the social life the biologic or eugenic factor? Can any one, once having given up a rigorous economic determinism and having admitted the power in the social life of man of "the psychic factor," logically stop short of recognizing the influence of all demonstrable factors and of proceeding to a synthetic view of the process of social development?

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La Politique Economique Internationale. By RUDOLPH KOBATSCH. Translated from the German and brought down to date by GUIDO PILATI in collaboration with A. BELLACO. (Paris: Giard et E. Brière. 1913. Pp. vii, 496. 12 fr.)

Éléments d'Economie Politique. By BERTRAND NOGARO. Two volumes. (Paris: M. Giard et E. Brière. 1913; 1914. Pp. 388; 291. 6 fr.; 4 fr.)

Kobatsch wishes to elevate "international political economy" to the rank of a separate science, a position warranted, he thinks, by its importance and the extensive literature it possesses. This literature, however, has included as yet no thorough scientific treatment of the subject. Adam Smith, Quesnay, and List have, indeed, contributed beginnings of such a treatment, but the great mass of publications in this field is made up of polemic presentations of special topics, and simple enumerations of facts. The author bases the new science on the application of Spencer's concept of evolution to the economic relationship between nations. This relationship shows a general trend of development from a conflict of interests, due to the differentiation of national groups, to a continually increasing community of interests which arises from increasing integration and interdependence. The several phases of the relationship, namely, movements of people in connection with commerce or through migration, and movements of things—merchandise and capital—are considered from the viewpoint of their relations to this conflict and to the subsequent community of interests wherever that has come about. This involves, espe-

cially, extended theoretical discussions of emigration and immigration policies and of the question of tariff and free trade. A review of the historical changes in the attitude of nations towards each other with regard to their economic relations brings the author finally to a consideration of the policy now prevailing, "internationalism," which finds expression through *ententes* of various kinds. This part of his work the author describes as a mere incomplete outline, and a future volume is promised which shall "fill in the inevitable lacunae, study more minutely the different phases of evolution, and formulate a complete doctrine of internationalism."

The volumes of M. Nogaro present in brief form the subject-matter of a course given for first and second year students of the University of Caen. They follow in general the classical divisions of the field, the first volume dealing with production and exchange, and the second with distribution and consumption. A brief but fairly proportioned history of economic thought concludes the second volume. Beyond this general division the author expresses his intention of "giving up the simpler methods of subdivision, although with resulting complexity and repetition, in order to work carefully from the known to the unknown and so make possible the presentation of certain problems usually considered too difficult for an elementary work." This purpose has been carried out for the most part only in the treatment of the subjects of money, banking, and international exchange. Professor Nogaro is the author of a number of books on these subjects and is evidently dealing with his favorite topics in this part of "The Elements," which constitutes about two thirds of the whole first volume. Both the underlying theory and the concrete descriptive material are presented in considerable detail and they are treated in separate chapters. A separate section is devoted to the theory of credit. The relative amount of space given to the topics usually found under production and distribution is rendered still less by the presence in each of these books of a section on the relations of the government to economic activity through state enterprise and legislation. The book on consumption treats the subjects of consumers' coöperation, savings banks, and insurance, both private and state.

The author acknowledges, both in his preface and by numerous citations throughout the work, his indebtedness to classic economic

thought. In the discussion of value theories, which opens the book on distribution, and in theories of distribution, the references are mainly to the leading Austrians and to several American theorists, notably J. B. Clark and Irving Fisher. The treatment of theoretical points is in the main an eclectic one.

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Kapitalzins und Preisbewegung. By KARL ADLER. (Leipzig. Duncker und Humblot. 1913. Pp. 48. 1.20 M.)

This little essay is an interesting evidence of reaction within the Austrian school from the extreme subjective tendencies of the founders. Value is treated as originating in the combination of the two principles, the subjective and the objective, the former functioning in the realm of motivation, the latter in the field of physical causation. The flow of value, in its subjective aspect, is from the finished products to the means of production; in its objective aspect, the flow is in the reverse direction. Fact and circumstance determine in each particular case which influence shall predominate.

On this basis it is easy to reconstruct a modified productivity theory of interest, and this is the chief purpose of Dr. Adler. He presents (pp. 22 *et seq.*) a very ingenious criticism of Böhm-Bawerk's theory. It is his contention that of the three grounds of interest offered by Böhm-Bawerk, the two that alone have general validity—the technical superiority of present goods and the superiority of future over present in provision for wants—are essentially of a productivity character. The productivity character of the former no one will dispute. That the latter is of the same character can be denied only on the ground of an irrationally materialistic conception of return. A reasonable person is willing to pay interest on a loan that enables him to live until the harvest. Such a loan is a condition upon which the harvest depends, and is obviously to be regarded as productive. A rational person with a present income of \$1,000 and an income of \$10,000 assured in one year or two will borrow money for raising his present standard of living. The loan enables him to secure a surplus of utility: why then should we not class it as productive, and seek in the measure of superiority in utility an explanation of the interest rate essentially identical with the productivity explanation?

Dr. Adler proposes to amend the interest theory of Böhm-Bawerk so that it will read: "Interest rests primarily and chiefly